THE INTERNATIONAL PRIMATE PROTECTION LEAGUE

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014
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INDEPENDENT AUDITOR’S REPORT

Board of Directors
The International Primate Protection League
Summerville, South Carolina

We have audited the accompanying financial statements of The International Primate Protection League (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The International Primate Protection League as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

North Charleston, South Carolina
March 27, 2015
THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS

Current assets

Cash and cash equivalents $ 117,401
Prepaid expenses 33,374
Inventories 1,900

Total current assets 152,675

Property and equipment, net of accumulated depreciation 1,210,210

Other assets

Investments 4,360,430
Cash surrender value - life insurance 58,572

Total other assets 4,419,002

Total assets $ 5,781,887

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and other current liabilities $ 20,608

Total liabilities 20,608

Net assets

Unrestricted 5,761,279

Total net assets 5,761,279

Total liabilities and net assets $ 5,781,887

(See notes to financial statements)
THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

PUBLIC SUPPORT AND REVENUE

Public Support

Contributions $339,332
Grants 676,830
Legacies and bequests 140,899

Total public support 1,157,061

Revenue

Investment income 163,379
Net realized and unrealized gains (losses) on investments (39,363)
Merchandise 5,055
Gain on disposition of property and equipment 4,831

Total revenue 133,902

Total support and revenue 1,290,963

EXPENSES

Program Services

Primate care investigation and education 1,179,677

Supporting Services

Management and general 146,562
Fundraising 13,631

Total supporting services 160,193

Total expenses 1,339,870

Change in net assets (48,907)

Net assets at beginning of year 5,810,186

Net assets at end of year $5,761,279

(See notes to financial statements)
# THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
## STATEMENT OF FUNCTIONAL EXPENSES
### YEAR ENDED DECEMBER 31, 2014

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primate Care and Education</strong></td>
<td><strong>Management and General Fundraising</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$ 235,671</td>
<td>$ 44,295</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>18,059</td>
<td>3,394</td>
</tr>
<tr>
<td><strong>Total salaries, wages and related expenses</strong></td>
<td>253,730</td>
<td>47,689</td>
</tr>
<tr>
<td>Education</td>
<td>18,036</td>
<td>-</td>
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<tr>
<td>Animal Food</td>
<td>94,874</td>
<td>-</td>
</tr>
<tr>
<td>Auto expenses</td>
<td>13,812</td>
<td>-</td>
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<tr>
<td>Bank charges</td>
<td>2,349</td>
<td>246</td>
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<tr>
<td>Conferences</td>
<td>32,289</td>
<td>-</td>
</tr>
<tr>
<td>Contract labor</td>
<td>33,833</td>
<td>19,774</td>
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<tr>
<td>Contributions</td>
<td>41,110</td>
<td>-</td>
</tr>
<tr>
<td>Cost of merchandise</td>
<td>-</td>
<td>4,171</td>
</tr>
<tr>
<td>Credit card fees</td>
<td>-</td>
<td>7,443</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>2,763</td>
<td>2,748</td>
</tr>
<tr>
<td>Education center expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants - sanctuary and other</td>
<td>372,709</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>43,380</td>
<td>8,448</td>
</tr>
<tr>
<td>Interest expense</td>
<td>251</td>
<td>-</td>
</tr>
<tr>
<td>Internet expenses</td>
<td>2,763</td>
<td>-</td>
</tr>
<tr>
<td>Investigation</td>
<td>4,759</td>
<td>-</td>
</tr>
<tr>
<td>Office supplies and postage</td>
<td>38,373</td>
<td>856</td>
</tr>
<tr>
<td>Professional fees</td>
<td>8,677</td>
<td>16,000</td>
</tr>
<tr>
<td>Reports and other literature</td>
<td>29,772</td>
<td>2,153</td>
</tr>
<tr>
<td>Publications (newsletters)</td>
<td>60,975</td>
<td>-</td>
</tr>
<tr>
<td>Rent</td>
<td>4,800</td>
<td>-</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>16,899</td>
<td>446</td>
</tr>
<tr>
<td>Software maintenance</td>
<td>-</td>
<td>7,869</td>
</tr>
<tr>
<td>Supplies</td>
<td>15,533</td>
<td>-</td>
</tr>
<tr>
<td>Taxes and licenses</td>
<td>-</td>
<td>3,965</td>
</tr>
<tr>
<td>Telephone</td>
<td>662</td>
<td>5,293</td>
</tr>
<tr>
<td>Travel</td>
<td>9,384</td>
<td>-</td>
</tr>
<tr>
<td>Utilities</td>
<td>21,170</td>
<td>1,472</td>
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<tr>
<td><strong>Total expenses before depreciation</strong></td>
<td>1,122,903</td>
<td>128,573</td>
</tr>
<tr>
<td><strong>Depreciation expense</strong></td>
<td>56,774</td>
<td>17,989</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$ 1,179,677</td>
<td>$ 146,562</td>
</tr>
</tbody>
</table>

(See notes to financial statements)

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THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

Cash Flows from Operating Activities

Change in net assets $ (48,907)
Adjustments to reconcile change in net assets to net cash provided by operating activities
   Depreciation 75,902
   Net gains on sales of investments (53,712)
   Unrealized loss on investments 93,075
   Gain on disposition of property and equipment (4,831)
   Decrease in cash surrender value of life insurance 6,898
   (Increase) in prepaid expenses and inventory (6,854)
   Decrease in other current assets 80
   (Decrease) in accounts payable (4,184)

Net cash provided by operating activities 57,467

Cash Flows from Investing Activities

   Proceeds from disposition of property and equipment 4,831
   Purchase of property and equipment (46,639)
   Proceeds from sales of investments 1,847,206
   Purchase of investments (1,817,705)

Net cash (used) in investing activities (12,307)

Net increase in cash and cash equivalents 45,160

Cash and cash equivalents at beginning of year 72,241

Cash and cash equivalents at end of year $ 117,401

(See notes to financial statements)
Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The International Primate Protection League (IPPL) is a nonprofit organization whose purpose is to educate the public on primate matters and to campaign to protect wild and captive primates. IPPL investigates both legal and illegal trafficking in primates, supports primate rescue centers around the world, and provides a sanctuary home for gibbons released from research facilities or otherwise in need of homes. The Organization is supported primarily through donor contributions, grants and bequests.

Basis of Accounting

The financial statements of IPPL have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation


Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, IPPL considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of $300. Property and equipment is carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the related assets using straight-line methods. Expenditures for maintenance and repairs are charged to expense as incurred.
Note 1. Nature of Activities and Summary of Significant Accounting Policies
(continued)

Functional Expenses

Directly identifiable expenses are charged to programs and services. Expenses related to more than one function are charged to programs and supporting services on the basis of personnel time and space utilized for the related activities. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance non-financial assets of (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided administrative services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.
Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Income Taxes

IPPL is a not for profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. By reference, the State of South Carolina adopted this code; hence, IPPL is also exempt from South Carolina income taxes. Classification by the Internal Revenue Service is other than a private foundation.

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are stated at fair market value at the measurement date, based on quoted prices in active markets and are determined based on Level 1 inputs. Investment income of endowment funds, unless restricted to a specific purpose or required to be added to the principal of the endowment, is available for unrestricted purposes and, if any, is included in the change in unrestricted net assets.

Inventories

Inventories consist of retail merchandise available for sale to the general public. Inventories are stated at cost determined on the first-in, first-out method.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Related Party Transactions

IPPL houses some of the gibbons on three acres of land leased from a former employee of the Organization. The lease is accounted for as an operating lease and may be canceled by either party with a 30 day written notice. Lease expense for the year ended December 31, 2014 amounted to $4,800.
Note 3. Credit Risk

IPPL has accounts held by one banking institution. Amounts held by the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2014, the entire bank balance of $127,870 was fully insured.

The risk of loss from any uninsured cash balances during the year is mitigated by the use of nationally recognized financial institutions and is monitored by the management.

Note 4. Investments

Investments are stated at fair market value, and consist of the following at December 31, 2014:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Fair Value</th>
<th>Unrealized Appreciation (Depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$ 248,083</td>
<td>$ 248,083</td>
<td>$</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>1,018,275</td>
<td>1,026,210</td>
<td>7,935</td>
</tr>
<tr>
<td>US and state government agency securities</td>
<td>45,320</td>
<td>45,989</td>
<td>669</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>287,230</td>
<td>286,168</td>
<td>(1,062)</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>2,709,297</td>
<td>2,753,980</td>
<td>44,683</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>$4,308,205</strong></td>
<td><strong>$4,360,430</strong></td>
<td><strong>$ 52,225</strong></td>
</tr>
</tbody>
</table>

Investment return is summarized as follows for the year ended December 31, 2014:

- Interest and dividend income $ 163,379
- Net realized and unrealized gains (39,363)

**Total investment income** $ 124,016

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Note 5. Property and Equipment

Property and equipment consist of the following as of December 31, 2014:

- Land, buildings and improvements: $1,401,777
- Furniture, fixtures and equipment: 868,845
- Less accumulated depreciation: (1,060,412)

Net: $1,210,210

Depreciation expense for the year ended December 31, 2014 was $75,902.

Note 6. Evaluation of Subsequent Events

The organization has evaluated subsequent events through March 27, 2015, the date which the financial statements were available to be issued.